

261—68.2(15) Eligibility requirements.

68.2(1) *Community approval.* If the qualifying investment is \$10 million or more, the community in which the business's project is or will be located shall approve by ordinance or resolution the project for purposes of receiving tax incentives and assistance under this program.

68.2(2) *Relocations and reductions in operations.*

a. The business shall not be solely relocating operations from one area of the state while seeking state or local incentives. A project that does not create new jobs or involve a substantial amount of new capital investment shall be presumed to be a relocation. In determining whether a business is solely relocating operations for purposes of this subrule, the authority will consider whether a letter of support for the move has been provided from the affected local community.

b. The business shall not be in the process of reducing operations in one community while simultaneously applying for assistance under the program.

(1) For purposes of this subrule, a reduction in operations within 12 months before or after an application for assistance is submitted to the authority will be presumed to be a reduction in operations while simultaneously applying for assistance under the program.

(2) Pursuant to 2021 Iowa Acts, Senate File 619, the authority shall not presume that a reduction in operations is a reduction in operations while simultaneously applying for assistance as described in subparagraph 68.2(2) "b"(1) with regard to a business that submits an application on or before June 30, 2022, if the business demonstrates to the satisfaction of the authority that the reduction in operations occurred after March 1, 2020, and that the reduction in operations was due to the COVID-19 pandemic. The authority shall consider whether the benefit of the project proposed by a business described in this subparagraph outweighs any negative impact related to the business's reduction in operations. A business described in this subparagraph shall remain subject to all other eligibility requirements of the program.

c. This subrule will not be construed to prohibit the business from expanding its operations in a community if existing operations of a similar nature in this state are not closed or substantially reduced.

68.2(3) *Retail or service businesses.* The business shall not be a retail business. The business shall not be a service business unless a significant proportion of its sales, as determined by the authority, are outside this state.

68.2(4) *Created and retained jobs.* The business shall create or retain jobs as part of a project.

a. The business shall pay the qualifying wage threshold for HQJP as established in 261—Chapter 174.

b. If the business is creating jobs, the business shall demonstrate that the jobs will pay at least 100 percent of the qualifying wage threshold at the start of the project completion period, at least 120 percent of the qualifying wage threshold by the project completion date, and at least 120 percent of the qualifying wage threshold until the maintenance period completion date.

c. If the business is retaining jobs, the business shall demonstrate that the jobs retained will pay at least 120 percent of the qualifying wage threshold throughout both the project completion period and the maintenance period.

d. Notwithstanding paragraphs "b" and "c" of this subrule, a business located at a brownfield site or a grayfield site or in an economically distressed area may be awarded incentives for jobs that will pay less than 120 percent of the qualifying wage threshold if the conditions described in rule 261—174.6(15) apply.

68.2(5) *Determination of sufficient benefits.* The business shall offer a sufficient package of benefits to each full-time employee included in the business's base employment level and to each full-time employee at the project location until the maintenance period completion date. The benefits package provided shall meet the criteria established by the board. The board shall periodically approve such criteria to reflect the most current benefits package typically offered by employers. The criteria established by the board may include, but not be limited to, premium percentages to be paid by the business, deductible requirements, and other such criteria as determined necessary to the evaluation of benefits offered by a business.

68.2(6) *Sufficient fiscal impact.* The business shall demonstrate that the jobs created or retained will have a sufficient impact on state and local government revenues as determined by the authority after calculating the fiscal impact ratio of the project.

68.2(7) *Violations of law.* If the authority finds that a business has a record of violations of law over a period of time that tends to show a consistent pattern as described in 261—Chapter 172, the business shall not qualify for tax incentives and assistance under this program.

68.2(8) *Competition.* The authority shall consider the impact of the proposed project on other Iowa businesses in competition with the business that is seeking tax incentives and assistance. The authority shall make a good faith effort to identify existing Iowa businesses within an industry in competition with the business that is seeking tax incentives and assistance. The authority shall make a good faith effort to determine the probability that the proposed financial assistance will negatively impact other existing Iowa businesses including but not limited to displacing employees of the existing business.

68.2(9) *Other benefits.* A business may seek benefits and assistance for its project from other applicable federal, state, and local programs in addition to those provided in this program.

68.2(10) *Ineligibility—no high quality jobs created or retained.* If a project is creating or retaining jobs, but none are high quality jobs, then the project is not eligible to receive benefits and assistance under this program.

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